

# THE WEST: UNDER SIEGE

Statement of Congressman Rob Bishop (UT-01)

War on Western Jobs: A Joint Hearing of the Senate and Congressional Western Caucus

July 13, 2010

The West faces many problems today – rapid growth and development, drought, water supply and quality, housing, overlapping federal bureaucracies, conflicting regulations, illegal immigration, and many others.

However, the most pressing issue of the day for Westerners, like most other Americans, is jobs.

Unfortunately, many of the challenges facing the West are exacerbated, not alleviated, by federal policies emerging from Washington. Too often, federal policies stand in the way of job creation and economic growth. Because of that, the West has suffered.

According to the Bureau of Labor Statistics, the Western United States reported the highest regional jobless rate in May, at **10.9 percent**. In fact, the western region has maintained the highest regional unemployment for the past 12 months.

Why the West? What is it about this region that makes it uniquely susceptible in the current economic downturn?

While there are undoubtedly a number of causes, one thing we can say for certain is that many if not most of the new policies and regulations coming out of Washington **are not helping** the situation. They are making it worse. Today's hearing will look at the specific federal actions that are destroying western and rural communities.

After reviewing the evidence, it has become clear to me, and hopefully will for you today too, that this Administration, and the majority in this Congress, have declared a new War on the West.

I'm here to put the President and the congressional leadership on notice that western members aren't going to sit back and do nothing while they continue to promote policies that will destroy the western and rural way of life. We're going to fight back.

The facts show that western communities are suffering. Today we'll explore some of the reasons why.

One of the unique realities we face in the West is that our states are more sensitive to Washington's policies. This is because of the high concentration of federal lands in the West.

The federal government currently owns roughly 650 million acres in the U.S.A. That means nearly 1 out of 3 acres in this country is owned and controlled by the federal government. In the West, 1 out of every 2 acres is owned and controlled by the federal government. Roughly 2/3 of Utah's lands are owned and controlled by the federal government.

I'd venture that most the people in this room from the West are familiar with maps showing federal land ownership in the West. For many of you not from the West, these charts can be eye-opening.

Federal ownership of western lands makes the Western U.S. a unique part of this country. Indeed, the U.S. Bureau of Land Management and the U.S. Forest Service have become the planning and zoning boards for much of the rural West. Issues that anywhere else in the nation would be state or local, like locating a road or building a water system, are federal issues in the West. BLM and Forest Service managers decide how many cows will graze where and at what time of year, where a pipeline or a road must go and other details of local land use. As a result, the federal government has an overwhelming influence on the local economies of many Western communities. Because of this, bad federal policies uniquely target and harm western states.

As we will learn today, we've seen a lot of bad policies emerge from Washington over the past few years. Indeed, thousands of jobs and hundreds of millions of dollars in Utah alone have been lost or are in jeopardy due to this Administration's energy policies. The purpose of this hearing is to examine the negative economic impacts on western jobs and communities from policies currently being pursued by this Administration.

This is not just theory. Evidence is clear that job losses resulting from the recent recession have not been spread equally around the country. For example, the table included in your packet lists the 12 states with the largest declines in the employment to population ratio since the recession began in 2007. This ratio measures the fraction of the working-age population that is either unemployed or out of the labor force and provides the broadest measure of the health of the labor market (see handout). As you can see, **6** of the top **12** are western states. Utah is listed at 5<sup>th</sup>.

Another recent study looked at the most stressed states and counties in the nation. According to The Associated Press Economic Stress Index, 3 of the top 5 states showing the most stress in May were Western states:

<b>Nevada (21.75)</b>	Michigan (16.22)	<b>California (16.14)</b>	Florida (15.26)	<b>Arizona (15.04)</b>
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Meanwhile, as you can see in this chart, 19 of the top 20 most economically stressed **counties** with populations of at least 25,000 are western counties:

<b>1. Imperial County, Calif., 31.74</b>	<b>11. San Joaquin County, Calif., 22.66</b>
<b>2. Yuma County, Ariz., 29.14</b>	<b>12. Luna County, N.M., 22.42</b>
<b>3. Lyon County, Nev., 27.3</b>	<b>13. Lake County, Calif., 21.59</b>
<b>4. Merced County, Calif., 24.55</b>	<b>14. Riverside County, Calif., 21.23</b>
<b>5. Nye County, Nev., 24.45</b>	<b>15. Kern County, Calif., 21.14</b>
<b>6. Sutter County, Calif., 23.93</b>	<b>16. Madera County, Calif., 20.53</b>
<b>7. Stanislaus County, Calif., 23.6</b>	<b>17. San Bernardino, Calif., 20.45</b>
<b>8. Yuba County, Calif., 23.59</b>	<b>18. Pinal County, Ariz., 20.37</b>
<b>9. Clark County, Nev., 23.24</b>	<b>19. Fresno County, Calif., 20.01</b>
<b>10. San Benito County, Calif., 23.12</b>	<b>20. Lapeer County, Mich., 19.97</b>

It is clear that the recent recession's impacts have been more severe in some parts of the country than others. The reasons for these impacts are diverse. However, it seems clear to me that one of the leading

causes of job loss in the West are the misguided policies being promulgated here in Washington by the Obama Administration and the Democrat controlled Congress.

Today we want to highlight “Voices from the West.” These are video testimonials from people who know firsthand what is happening on the ground in the West. The people you see and hear are the ones who feel the brunt of Washington’s attack on western and rural communities. Their stories and words are much more important than ours. We like to refer to these as “Human Impact Statements.”

The Western Caucus believes that serious steps need to be taken to help workers and communities throughout the West regain their footing.

Today we are going to hear from a number of experts discuss a broad array of policy areas wherein one can see how specific initiatives from this Administration have had negative impacts on western and rural jobs. These areas will include:

**ENERGY**

**WATER**

**PUBLIC LANDS ACCESS**

**EXCESSIVE REGULATIONS**

Before we get there, I’d just like to mention two specific areas of which I am familiar that help demonstrate the problems we are drawing attention to today. I would like to mention briefly:

#### **UTAH LEASES AND THE PULLBACK IN WESTERN OIL AND GAS DEVELOPMENT**

On February 4<sup>th</sup> 2009, in one of his first official acts as Interior Secretary, Ken Salazar unilaterally canceled 77 oil and gas leases in Utah. These leases had been issued following an open, seven-year comprehensive public land management planning process.

This single politically-driven decision prohibited the responsible access to over 130,000 acres of land containing a significant source of American energy and stifled much needed economic development in my home state. What makes matters worse is what we have now learned from a recently released Inspector General’s report. Contrary to the Secretary’s claim of politically motivated and hasty regulatory actions which he used to justify the withdrawal of the 77 leases, we now know that **“no inappropriate action or any violation of any regulation, rule or policy occurred relating to the December, 2008 BLM oil and gas lease sale in Utah.”**

This decision had real-life impacts on Utah’s citizens.

Because of that single decision, hundreds if not thousands of jobs have disappeared and millions upon millions of dollars of state and county royalties have been lost as a result of the precipitous lease withdrawal.

If it was only Utah perhaps you could say this wasn’t that bad. But it’s not just Utah.

A survey was recently conducted by the Western Energy Alliance to quantify some of the impacts of government policies on jobs and investment in natural gas and oil in the West compared to other regions. Their findings were startling:

**74% of respondents** said their company downsized 2010 capital investment plans in the Rocky Mountain region.

**\$1.1 billion of capital investment** has been downsized or shifted from the Rockies to other states and regions.

Respondents said that in the absence of federal constraints, they would be investing an additional **\$2.8 billion in the Rockies**.

**73% of respondents** have shifted investment from federal to private lands within the Rockies, with over \$708 million redirected in 2010.

**72% of respondents** stated that dissatisfaction with the federal permitting process is the central aspect driving investment out of the region.

**Lastly, 90% of respondents** stated their company will continue to divert investment from the Rockies until there are changes in the regulatory process.

#### **EDUCATION - APPLE**

Finally, I want to discuss one item quickly since I noticed none of the witnesses took this issue up in their testimony.

That issue is how current land management policies of the federal government are unfair to Utah's school children and all western public land states.

I won't go into much detail today other than to say that it is an absolute travesty that Western States are continually left behind in the education arena due to the enormous amount of federal land in western states.

This is one issue that needs to be addressed and will be in future sessions of Congress.

I look forward to hearing from the witnesses today and discussing ways we can begin to rollback this War on the West.